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SUBJECT: GOP INVESTIGATES VENEZUELAN GOVERNMENT INTERFERENCE

REF: A. LIMA 390
[1](#)B. LIMA 480

Classified By: POL/C ALEXIS LUDWIG FOR REASONS 1.4 (B)

[1](#)1. (C) Summary: In response to its growing concern about Venezuelan government meddling in Peru, the Garcia administration has arrested suspected "Bolivarian" terrorists and launched a public information campaign to highlight the threat. A congressional sub-committee found that Caracas has a three-pronged strategy to increase President Chavez's regional influence and undermine the GOP. This consists of formal diplomacy with a financial and energy component; informal "peoples'" diplomacy, i.e., cultivating relationships with social movements, NGOs and radical political parties including with social programs administered by Venezuelan "friendship" (or ALBA) houses; and the Bolivarian Continental Coordinator (CCB), an organizational umbrella and "facade" for the activities of anti-systemic actors and known terrorist groups such as the FARC and MRTA. On March 13, Congress voted to form a new commission with full powers that will seek to build a more detailed picture of Venezuelan links to Peruvian social movements and political parties. Unconvinced by what they see as hype, several prominent local analysts believe the government's recent accusations against Venezuela, while partly based in reality, are wildly disproportionate and potentially undermine free speech. End Summary.

Increasing Concern about Venezuelan Meddling

[1](#)2. (C) Top government officials, including President Garcia, have long alleged that the Venezuelan government was meddling in Peru's internal affairs, including by supporting anti-systemic opposition groups and by working behind the scenes to sow discontent and instability and to undermine the government. On several occasions, President Garcia has told visiting U.S. officials that his government knew about and would act against this interference, in due time. That time may now have come. In an early March joint press conference with Ecuadorian President Rafael Correa, President Garcia announced his intention to take steps against ideological subversion within Peru -- a clear reference to the Venezuelan threat. Just before that announcement, Peruvian security authorities arrested seven suspected "Bolivarian terrorists" who were returning to Peru after attending a Bolivarian Continental Coordinator (CCB) event in Quito, Ecuador (ref A), and issued arrest warrants for more than a dozen others.

According to some reports, the trial of many Peruvians who participated in the Quito event was funded by Venezuela. Government officials have stated that more arrests will follow.

13. (C) In addition, the government has launched an active public campaign to inform and sensitize the public about the nature and extent of the Bolivarian threat. Government officials, including President Garcia, Prime Minister Jorge del Castillo, Interior Minister Alva Castro and Defense Minister Antaro Flores Araoz have repeatedly raised their concerns about Venezuelan interference in recent public declarations. According to press reports corroborated by government sources, the Interior Minister has also ordered that the financing of so-called ALBA Houses be formally investigated by government agencies in order to reveal the extent of Venezuelan involvement. (Note: Venezuela's Ambassador has repeatedly asserted that Venezuelan friendship houses -- he rejects the use of the term "ALBA" in their connection -- have been established spontaneously by Peruvian sympathizers of the Bolivarian ideal, but receive no financial support from the Government of Venezuela. End Note.)

14. (C) The government also appears to have selectively leaked intelligence showing evidence of subversion by so-called Venezuelan ALBA (or "friendship") houses, the CCB, cash-rich Venezuelan diplomat Virly Torres' diverse work, and related information. As a result, bits and pieces of intelligence about Venezuelan or Venezuela-sponsored activities have come to light in a series of recent articles in newspapers such as El Comercio, Correo, Expreso, and La Razon. (One recent weekend news magazine, for example, showcased Venezuelan diplomat Torres' energetic efforts in support of a range of projects throughout Peru, with the clear implication that her work was fundamentally political.) Other details have been leaked to sympathetic members of Congress, including from the ruling APRA party -- Mercedes Cabanillas and Javier Velasquez Quesquen -- the Fujimorista bloc -- Rolando Sousa -- and others.

Sub-Commission Describes Three Pillars of Venezuelan Influence

15. (C) Congressman Sousa, who chaired a congressional sub-committee investigating Venezuelan meddling, recently briefed us on the body's findings. Sousa said the Committee found that Venezuela had a three-pillar strategy to expand its regional influence and undermine Peru's democratic government:

-- The first pillar is President Chavez's formal diplomatic strategy, which apart from traditional bilateral, regional and international relations includes a financial component, such as the purchase of Argentina's debt, and an energy component. He noted Venezuela's sale of cut-rate oil to poor Caribbean countries and its efforts to build energy corridors from Venezuela through Bolivia down to Brazil and Argentina.

-- The second is informal or so-called "peoples' diplomacy," which entails cultivating relations with social sector actors, NGOs, labor unions and anti-systemic political parties including the Peruvian Communist party, Patria Roja and the Nationalist Party (PNP). This informal diplomacy focuses primarily on social work in poor communities where the Government of Peru has little or no presence. The network of so-called Venezuelan friendship (ALBA) houses throughout Peru focuses primarily on social work such as the Miracle Mission to provide eye surgeries to those otherwise lacking access to medical care. (Note: The head of the Puno ALBA houses Marcial Maydana Vilca told the press in early March that the Mision Milagro has provided 14,584 free surgeries to Peruvian at the eye center in Copacabana, Bolivia. End Note.) While Sousa acknowledged that friendship houses did conduct social and humanitarian work, he said the committee had found that this work almost always came packaged with ideological training of a predictably anti-free trade, anti-globalization kind. He added that there was evidence that paramilitary-type training had also been

provided to some Peruvians in at least two ALBA houses in Peru -- one in Junin, the other in Huancaayo.

¶6. (C) The third and most troubling pillar involves Venezuelan support for the Bolivarian Continental Coordinator (CCB), which Sousa described as a "facade" for a collection of anti-systemic and irregular groups that includes known terrorist organizations. Sousa argued that this element of the strategy can be clearly seen on the CCB's website (www.conbolivar.org), which lists the FARC as a CCB member organization and the Peruvian terrorist group MRTA as a "friend". Sousa noted that one of the terrorist suspects arrested late last month on his return from an allegedly Venezuela-funded trip to Ecuador was a known MRTA leader who had participated in and served prison time for the kidnapping of Bolivian businessman Samuel Doria Medina (Ref B). He also claimed the CCB has ties to Sendero Luminoso remnants and to the Spanish ETA. (Comment: While links between the CCB and the FARC and MRTA are well documented, we have so far seen no evidence of CCB links to Sendero Luminoso. End Comment.) Echoing recent news reports, Sousa alleged that the CCB aimed to coordinate efforts by these various anti-systemic groups to disrupt Peru's international summits and to incite chaos generally. (Comment: Sousa claimed that, as head of the subcommittee, he was given access to all available government intelligence on the Venezuela issue; his comprehensive presentation appears to confirm this claim. End Comment.)

Congress Establishes Formal Investigation

¶7. (C) After reviewing the sub-committee's conclusions, the Congressional plenary on March 13 voted 96-0 to establish a full committee with expanded and binding investigation powers to follow up on the sub-committee's findings. (Note: Even PNP congressional representatives, apparently unwilling to assume the political risks of opposing the measure, voted in favor. End Note.) The new investigating committee, according to Sousa, will seek to determine the precise relationship between the three prongs of Venezuelan diplomacy in Peru and to establish with greater clarity the nature of the links among the different entities under investigation. For example, Sousa said the subcommittee had surmised that the CCB, ALBA houses, the Venezuelan Embassy and Peruvian political movements such as the Peruvian Communist Party, Patria Roja, and presumably Ollanta Humala's Peruvian Nationalist Party were all somehow working together, but he did not have details about precisely who, where and how. As an example, Sousa showed us a sales receipt appearing to demonstrate that the Venezuelan Embassy had provided high-priced fertilizers to poor farmers in exchange for potatoes and corn. He said this indicated that a network of private companies may also be involved in Venezuela-funded activities. The full congressional committee, he explained, will have the power to subpoena financial records and compel witnesses to testify, which could help uncover a smoking gun definitively proving GOV financial involvement in subversive activities.

Prominent Analysts Accuse GOP of McCarthyism

¶8. (C) In a roundtable discussion with poloffs, several prominent Peruvian analysts accused the government of fostering a climate of fear with wild accusations that can only undermine the right to free speech. All agreed that the GOV is probably working to undermine President Garcia and any undemocratic activities should be investigated, but they argued that the GOP's knee-jerk tendency to accuse any protest leader of links to radicalism and even terrorism raises doubts about the administration's motives. Discussing the recent arrest of seven Peruvians returning from a CCB congress in Quito, one analyst asked rhetorically: "Who cares if a pro-Chavez Peruvian decides to protest against a summit? It is not illegal to be pro-Chavez or to protest." (Note: The Interior Ministry responded to these concerns on March 15 by assuring the public that there is ample intelligence information linking the CCB detainees to terrorist groups.)

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